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HONOLULU CITY COUNCIL

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## News Release

March 28, 2007  
For Immediate Release

Contact: Gail Myers  
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### Tax Rate Cut Proposal:

Barbara Marshall, Chair of the Honolulu City Council, is proposing a 23 per cent cut in the residential property tax rate for the upcoming fiscal year.

Marshall is suggesting the current \$3.59 property tax rate for both improved residential and apartment classifications should be reduced by 85 cents—cuts that come from several places in Mayor Mufi Hanneman's proposed Fiscal '08 budget. She is suggesting the elimination of the Mayor's proposed tax credit to homeowners and rental tax credit, in order to provide more equitable relief. "I was concerned," Marshall said, "that the rental tax credit might never happen, dependent as it is on information that must be provided by the state tax office. Additionally, the credit as proposed would not help the many gap group renters who cannot afford to buy—but certainly can little afford the increases in rent that might be precipitated by continuing our current tax rate."

Marshall has long been an advocate of the City Council's abiding by the intent of the Real Property assessment process in the City & County of Honolulu, which basically provides that the tax rate is set annually so that when assessments rise, the rate can drop and when total assessments drop, the council can raise the rate to provide for needed services.

Despite proposing the cuts, Marshall praised the Administration's budget, saying she found the proposed budget to be far leaner than in previous years, with few obvious areas of inflated spending.